

April 15, 2004

WASHINGTON STATE LABOR COUNCIL
ATTN: DIANE MCDANIEL
314 FIRST AVENUE WEST
SEATTLE WA 98119

Subject: Complaint filed against Washington Food Industry – PDC Case No. 04-308

Dear Ms. McDaniel:

The Public Disclosure Commission (PDC) staff has completed its investigation of your complaint received October 28, 2003, alleging that the Washington Food Industry (WFI) violated RCW 42.17 by making in-kind contributions to a statewide initiative committee that were not reported.

Your complaint was reviewed in light of the following statute:

RCW 42.17.170 requires lobbyists registered with the PDC to file frequent and detailed reports of lobbying activities, including monetary and in-kind contributions made to candidates, political party organizations, and political committees, including statewide initiative committees.

You alleged that the WFI violated RCW 42.17 by making in-kind contributions to the Workers Against Job Killing Rules (WAJKR), a political committee supporting Initiative 841, without reporting those contributions.

We found that:

- The WAJKR committee website listed under the heading “Press Contacts” five names including Doug Henken, President of the WFI, his email address and telephone number at WFI, and the complete WFI mailing address.
- For 2003, the WFI had three registered lobbyists including WFI President Doug Henken and WFI employee Amy Brackenbury. Mr. Henken and Ms. Brackenbury are both required by RCW 42.17.170 to file Monthly Lobbyist Expense Reports (PDC Form L-2). The initial L-2 reports by Mr. Henken and Ms. Brackenbury for October did not disclose monetary or in-kind contributions to WAJKR.

- The WFI indicated in its initial response to the PDC that WFI was educating voters on Initiative 841, and that they only provided voters information on how ergonomic rules would impact the food industry. WFI said they felt their educational role, including that of their employees, with regard to I-841, was not within the statutory definition of a political committee or lobbyist employer. WFI further stated that they were engaged in issue advocacy, that they did not believe was required to be reported to the PDC.
- Cliff Finch, WFI Vice-President, stated that WFI made a good-faith effort to comply with the PDC's request letter dated January 22, 2004 to provide an accounting of WFI employee staff time spent at editorial board appearances and speaker requests, and in responding to inquiries as a press contact in support of I-841. He indicated that both Mr. Henken and Ms. Brackenbury were no longer employed by WFI, Doug Henken having terminated his lobbyist registration for the WFI on October 17, 2003, and Amy Brackenbury having terminated her lobbyist registration on November 15, 2003.
- On February 17, 2004, Doug Henken filed an amended L-2 report for October 2003, disclosing that a \$195 in-kind contribution had been made from WFI to WAJRK for the value of his time spent supporting Initiative 841. Amy Brackenbury also filed an amended L-2 report for October of 2003, disclosing that a \$500 in-kind contribution had been made from WFI to WAJRK.

Mr. Finch stated that WFI has changed its internal practices to insure that the association provides broader reporting in the future. Initially, as noted above, WFI believed they were not required to report these activities because they believed they were engaging in issue-advocacy that they believed was not reportable. When it was brought to their attention that these activities were reportable, WFI amended its reports. The amount of additional contributions reported in the amended reports totaled \$695 for two lobbyists.

WFI now understands that reporting is required for press contacts, editorial board appearances, and other activities that support or oppose a candidate or ballot proposition. Because WFI amended its reports after learning that its activities were reportable, and because the amount of late reported contributions was relatively small, no further enforcement is warranted in this instance. WFI will be cautioned to fully report its activities, and those of its employees, that are a contribution to a candidate or ballot proposition committee, in future election campaigns.

After a careful review of the alleged violations and relevant facts, we have concluded our investigation and, with the concurrence of the Chair of the Public Disclosure Commission, I am dismissing your complaint against Doug Henken, Amy Brackenbury and the Washington Food Industry.

Diane McDaniel
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If you have questions, please contact Phil Stutzman, Director of Compliance, at (360) 664-8853 or toll free at 1-877-601-2828.

Sincerely,

Vicki Rippie
Executive Director

c: Cliff Finch, WFI